

UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

FEDERAL DEPOSIT INSURANCE CORP.,)
)
 Plaintiff,)
)
 v.)
)
 JAMES MICHAEL JACOBS et al.,)
)
 Defendants.)
 _____)

3:13-cv-00084-RCJ-VPC

ORDER

This case arises out of the failure of a bank due to alleged malfeasance by its directors and officers in approving bad loans. The Court previously granted Plaintiff leave to file the Second Amended Complaint (“SAC”). While the motion for leave to file the SAC was pending, Defendant James Jacobs asked the Court to strike paragraph 15 of the SAC, because in addition to allegations concerning a loan at issue, it contains allegations concerning three loans not at issue. The Court will not strike those allegations. Although recovery is only sought based on losses incurred due to one of the four loans, the allegations are not themselves scandalous or impertinent. Whether evidence related to the three loans for which recovery is not directly sought in the SAC is admissible is a question to be determined via a motion in limine or at trial. Jacobs has also asked the Court to strike paragraph 17 of the SAC because it contains inadmissible hearsay concerning the state of the Nevada economy in 2006 in the form of quotations from newspaper articles. The Court will not strike the allegations. Even assuming those articles are inadmissible, allegations in a complaint need not be based on admissible evidence but need only be made in good faith. There is no indication that

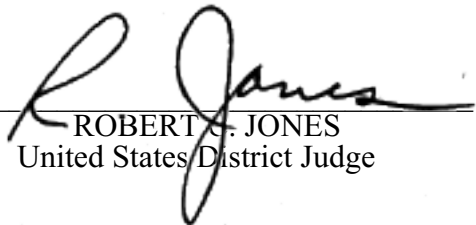
1 the allegation that the cited newspaper articles in fact existed is not made in good faith. Summary
2 judgment and trial are the points at which a plaintiff must prove his case with admissible evidence.

3 **CONCLUSION**

4 IT IS HEREBY ORDERED that the Motion to Strike (ECF No. 137) is DENIED.

5 IT IS SO ORDERED.

6 Dated this 16th day of December, 2014.

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ROBERT C. JONES
United States District Judge